

CITY OF KINSLEY, KANSAS
FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

VONFELDT, BAUER & VONFELDT, CHTD.
Certified Public Accountants
Larned, Kansas 67550

CITY OF KINSLEY, KANSAS
Financial Statements
For the Year Ended December 31, 2012

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INDEPENDENT AUDITORS' REPORT

To the City Commission
City of Kinsley, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of City of Kinsley, Kansas, as of and for the year ended December 31, 2012 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as describe in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the Kansas Municipal Audit and Accounting Guide. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

The financial statement does not include financial data for the City's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component units. The City has not issued such reporting entity financial statements. The effect on the financial statement of the omission of the component units, although not reasonably determinable, is presumed to be material.

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Kinsley, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matters discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Kinsley, Kansas as of December 31, 2012, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Kinsley, Kansas as of December 31, 2012, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basis financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. The graphical analysis (Schedule 3 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the financial statement nor required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

VONFELDT, BAUER & VONFELDT, CHTD.
Certified Public Accountants

April 10, 2013

CITY OF KINSLEY, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2012

<u>Funds</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Cancelled Encumbrances</u>
Governmental Type Funds:		
General Fund	\$ 752,591.19	\$ 0.00
Special Purpose Funds:		
Library Fund	4,459.30	0.00
Library Employee Benefits Fund	871.48	0.00
Recreation Fund	4,158.12	0.00
Special Highway Fund	69,144.57	0.00
Special Parks & Recreation Fund	45,604.01	0.00
Diversion Fund	8,517.58	0.00
Police Drug Forfeiture Fund	1,997.86	0.00
Capital Improvements Fund	(295,461.80)	0.00
Capital Projects Funds:		
Water Line Replacement Project Fund	0.00	0.00
Business Funds:		
Water Fund	519,444.56	0.00
Sewer Fund	166,123.01	0.00
Sanitation Fund	126,104.91	0.00
Sanitation Reserve Fund	<u>1,622.29</u>	<u>0.00</u>
Total Primary Government (Memorandum Only)	<u>\$ 1,405,177.08</u>	<u>0.00</u>

Composition of Cash:

The notes to the financial statement are an integral part of this statement.

<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
\$ 1,031,196.14	\$ 1,071,914.40	\$ 711,872.93	\$ 121,184.28	\$ 833,057.21
72,364.47	72,965.04	3,858.73	0.00	3,858.73
14,474.28	14,534.31	811.45	0.00	811.45
0.00	4,158.12	0.00	0.00	0.00
37,641.17	63,385.16	43,400.58	0.00	43,400.58
13,401.19	11,796.00	47,209.20	0.00	47,209.20
1,903.49	2,800.00	7,621.07	0.00	7,621.07
0.00	0.00	1,997.86	0.00	1,997.86
295,461.80	0.00	0.00	0.00	0.00
12,085.00	42,178.05	(30,093.05)	0.00	(30,093.05)
315,325.82	349,764.44	485,005.94	127,136.59	612,142.53
180,827.90	145,164.57	201,786.34	1,003.18	202,789.52
106,804.21	94,319.85	138,589.27	535.26	139,124.53
0.00	0.00	1,622.29	0.00	1,622.29
<u>\$ 2,081,485.47</u>	<u>\$ 1,872,979.94</u>	<u>\$ 1,613,682.61</u>	<u>\$ 249,859.31</u>	<u>\$ 1,863,541.92</u>
		Checking Accounts		\$ 14,627.11
		NOW Account		1,225,583.94
		Money Market Accounts		622,330.87
		Petty Cash		<u>1,000.00</u>
		Total Primary Government		<u>\$ 1,863,541.92</u>

CITY OF KINSLEY, KANSAS
NOTES TO FINANCIAL STATEMENT
December 31, 2012

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

City of Kinsley, Kansas is a municipal corporation governed by an elected five-member commission. A primary government is a legal entity or public politic and included all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as related municipal entities. The primary government financial statement presented does not include the financial data of the related municipal entity of the City of Kinsley.

Kinsley Public Library oversees the library activities of the City and is a related municipal entity of the City of Kinsley, Kansas. The Library can sue and be sued, but acquisition of real property by the Library must be approved by the City. The City levies taxes for the Library and bond issuances must be approved by the City. The financial data of the Library is available at the Library's office.

B. REGULATORY BASIS FUND TYPES

General fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose fund - used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Capital Project fund - used to account for the debt proceeds and other financial resources to be used for the acquisition or construction of major capital facilities or equipment.

Business fund - funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

C. BASIS OF ACCOUNTING

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

D. CASH AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent available. Cash and investments consist of interest bearing checking accounts and money market accounts. Earnings from these investments are allocated to designated funds. Cash and investments are stated at cost.

E. COMPARATIVE DATA

Comparative totals for the prior year have been presented in the accompany individual fund financial schedules in order to provide an understanding of changes in the City's financial position and operation.

F. TOTAL COLUMNS (MEMORANDUM ONLY)

Total Columns on the Summary Statement of Receipts, Expenditures and Unencumbered Cash are captioned "Memorandum Only" to indicate that they are presented only to aid in financial analysis. Interfund eliminations have not been made in the aggregation of this data; and it is, therefore, not comparable to a consolidation.

G. AD VALOREM TAX REVENUE

The determination of assessed valuation and the collection of property taxes for all political subdivisions in the State of Kansas are the responsibility of the various counties. The County Appraiser annually determines assessed valuation and the County Clerk spreads the annual assessment on the tax rolls. One-half of the property taxes are due December 20 and distributed to the City by January 20. The second half is due May 10 and distributed to the City by June 5. The City Treasurer draws available funds from the County Treasurer at designated times throughout the year.

H. REIMBURSED EXPENSES

The City records reimbursable expenditures (or expense) in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures (or expenses) are properly offset by the reimbursements.

I. USE OF ESTIMATES

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2 - BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments during the year.

Note 2 - BUDGETARY INFORMATION (Cont'd.)

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

Adjustment for Qualifying Budget Credits: Cities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, reimbursements, gifts and donations and receipts authorized by law to be spent as if they were reimbursed expenses.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose fund:

Capital Improvements Fund

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Note 3 - COMPLIANCE WITH KANSAS STATUTES

1. Funds on deposit at Farmers Bank & Trust were under secured during the year in violation of K.S.A. 9-1402.
2. Performance bond was not obtained on the water well project entered into during the year in violation of K.S.A. 60-1111.

Management is aware of no other statutory violations for the period covered by the audit.

The Water Supply System Project Fund showed a negative ending unencumbered cash balance of \$30,093.05 for the year ending December 31, 2012. K.S.A. 10-1116 provides that under certain situations, funds can end the year with a negative unencumbered cash balance and therefore, be exempt from the cash basis law of the State of Kansas. This fund met the criteria under the statutes, and therefore, is not deemed to be in violation of the Kansas cash basis law.

Note 4 - DEPOSITS

K.S.A. 9-1401 established the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC Coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investments of idle funds to time deposits, open accounts, and certificates of deposit with the allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Note 4 - DEPOSITS (Cont'd.)

Concentration of Credit Risk: State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial Credit Risk - Deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance, bank guarantee bonds, or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year. All deposits were legally secured at December 31, 2012.

At December 31, 2012 the City's carrying amount of deposits was \$1,863,541.92 and the bank balance was \$1,866,478.99. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$265,513.15 was covered by federal depository insurance, and \$1,600,965.84 was collateralized with securities held by the pledging financial institution's agents in the City's name.

Note 5 - CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows.

	<u>Project Authorization</u>	<u>Cash Disbursements and Accounts Payable to Date</u>
Water Line Replacement	\$ 1,168,085.00	\$ 42,178.05

Note 6 - LONG TERM DEBT

The City of Kinsley entered into a loan agreement effective as of May 6, 2002 with the Kansas Department of Health and Environment, acting on the behalf of the State of Kansas. The loan is in an amount not to exceed \$954,500.00 to pay all or a portion of the sewer project. The interest rate on the loan shall be 3.12% per annum, which shall be assessed on the unpaid principal balance to be set out in the loan repayment schedule which is to be calculated upon completion of the project. The loan repayment schedule requires fixed semiannual payments amortized over a twenty year period. The City of Kinsley shall impose and collect such rates, fees and charges for the use and service furnished by or through the Sewer System as a dedicated source of revenue for repayment of the loan.

The City of Kinsley entered into a loan agreement effective as of December 5, 2011 with the Kansas Department of Health and Environment, acting on the behalf of the State of Kansas. The loan is in an amount not to exceed \$1,168,085.00 to pay all or a portion of the water line replacement project. The interest rate on the loan shall be 2.43% per annum, which shall be assessed on the unpaid principal balance to be set out in the loan repayment schedule which is to be calculated upon completion of the project. The loan repayment schedule requires fixed semiannual payments amortized over a twenty year period. The City of Kinsley shall impose and collect such rates, fees and charges for the use and service furnished by or through the Water System as a dedicated source of revenue for repayment of the loan.

Note 6 - LONG TERM DEBT (Cont'd.)

Changes in long-term liabilities for the Entity for the year ended December 31, 2012, were as follows:

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>
KDHE loans:				
KWPCRF Project	3.12%	5/6/2002	\$ 575,656.00	3/1/2024
KPWSLF Project	2.43%	12/6/2011	1,168,085.00	8/1/2033
No fund warrants:				
2005 Fire Truck	0.50%	7/1/2005	77,465.00	1/1/2018

Total Contractual Indebtedness

Compensated Absences

Total Long-Term Debt

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	<u>12/31/2013</u>	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>12/31/2016</u>
PRINCIPAL:				
KDHE loans	\$ 27,465.62	\$ 74,311.22	\$ 76,326.15	\$ 78,396.55
No fund warrants	<u>6,002.59</u>	<u>6,032.65</u>	<u>6,062.85</u>	<u>6,093.19</u>
TOTAL PRINCIPAL	<u>33,468.21</u>	<u>80,343.87</u>	<u>82,389.00</u>	<u>84,489.74</u>
INTEREST:				
KDHE loans	11,442.20	38,685.40	36,670.47	34,600.07
No fund warrants	<u>159.45</u>	<u>129.39</u>	<u>99.19</u>	<u>68.85</u>
TOTAL INTEREST	<u>11,601.65</u>	<u>38,814.79</u>	<u>36,769.66</u>	<u>34,668.92</u>
TOTAL PRINCIPAL & INTEREST	<u>\$ 45,069.86</u>	<u>\$ 119,158.66</u>	<u>\$ 119,158.66</u>	<u>\$ 119,158.66</u>

Note: Loan proceeds from the Kansas Department of Health and Environment are received as expenditures are incurred. As of December 31, 2012 the project was still in process so the City had not received the full loan amount of \$1,168,085.00. The maturity schedule above has been scheduled out assuming the City is going to receive the full amount and payments will begin on time.

Balance Beginning of Year	Additions	Reductions / Payments	Net Change	Balance End of Year	Interest Paid
\$ 400,178.99	\$ 0.00	\$ 26,628.33		\$ 373,550.66	\$ 12,279.49
0.00	14,005.21	0.00		14,005.21	0.00
39,361.11	0.00	5,972.69		33,388.42	189.35
439,540.10	14,005.21	32,601.02		420,944.29	12,468.84
17,717.47			(1,501.61)	16,215.86	
<u>\$ 457,257.57</u>	<u>\$ 14,005.21</u>	<u>\$ 32,601.02</u>	<u>\$ (1,501.61)</u>	<u>\$ 437,160.15</u>	<u>\$ 12,468.84</u>

12/31/2017	12/31/2018 - 12/31/2022	12/31/2023 - 12/31/2027	12/31/2028 - 12/31/2032	12/31/2033 - 12/31/2037	Total
\$ 80,524.00	\$ 436,642.64	\$ 356,640.41	\$ 338,569.02	\$ 72,760.05	\$ 1,541,635.66
6,123.70	3,073.44	0.00	0.00	0.00	33,388.42
86,647.70	439,716.08	356,640.41	338,569.02	72,760.05	1,575,024.08
32,472.62	128,340.46	72,165.02	31,874.98	1,328.75	387,579.97
38.34	7.58	0.00	0.00	0.00	502.80
32,510.96	128,348.04	72,165.02	31,874.98	1,328.75	388,082.77
<u>\$ 119,158.66</u>	<u>\$ 568,064.12</u>	<u>\$ 428,805.43</u>	<u>\$ 370,444.00</u>	<u>\$ 74,088.80</u>	<u>\$ 1,963,106.85</u>

Note 7 - INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory Authority</u>	<u>Amount</u>
General	Capital Improvements	K.S.A. 12-1,1118	\$ 20,313.09
Recreation Commission	General	K.S.A. 79-2958	4,158.12

Note 8 - OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post Employment Benefits. As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the City under this program.

Compensated Absences. Full-time employees earn vacation time at the rate of 6.67 hours per month and may accumulate no more than 120 such hours. Part-time employees who work at least 20 hours per week earn vacation time at the rate of 4 hours per month worked and may accumulate no more than 80 such hours. Employees who have worked for the City at least one year are entitled to be paid for unused vacation leave when two weeks notice is given in the event of separation. The potential liability for unused vacation leave as of December 31, 2012 and 2011 is \$16,215.86 and \$17,717.47, respectively, which is a net change of (\$1,501.61).

Full-time employees earn 8 hours of sick leave per month. Part-time employees earn 4 hours of sick leave per month. Employees may accumulate 1,040 hours of sick leave. Employees who retire from City employment and who provide a minimum of two weeks notice of their retirement shall be paid for 1/4 of their accrued but unused sick leave, paid at their regular rate of pay based on the last day of service. No employees were eligible for retirement, therefore, there is no potential liability for unused sick leave as of December 31, 2012.

The costs of accumulated vacation and sick leave are not recorded in the financial statements at the time the benefits are earned by the employee.

Note 9 - DEFINED BENEFIT PENSION PLAN

Plan description. The City of Kinsley contributes to the Kansas Public Employees Retirement System (KPERS) a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100; Topeka, KS 66603-3803) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS are funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

Note 10 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has been unable to obtain workers compensation insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other cities in the State to participate in the Kansas Municipal Insurance Trust, a public entity risk pool currently operating as a common risk management and insurance program for participating members.

The City pays an annual premium to the Kansas Municipal Insurance Trust for its workers compensation insurance coverage. The agreement to participate provides that the Kansas Municipal Trust will be self-sustaining through member premiums and will reinsure through commercial companies for excess claims for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by Kansas Municipal Insurance Trust's management.

The City continues to carry commercial insurance for all other risks of loss, including equipment, property and building coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 11 - SUBSEQUENT EVENTS

The City has evaluated events subsequent to year end through April 10, 2013, and does not believe any events have occurred which effect the financial statements as presented.

**REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF KINSLEY, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>
Governmental Type Funds:		
General Fund	\$ 1,191,835.00	\$ 0.00
Special Purpose Funds:		
Library Fund	75,000.00	0.00
Library Employee Benefits Fund	14,674.00	0.00
Recreation Fund	7,000.00	0.00
Special Highway Fund	101,000.00	0.00
Special Parks & Recreation Fund	44,000.00	0.00
Diversion Fund	15,000.00	0.00
Police Drug Forfeiture Fund	6,000.00	0.00
Business Funds:		
Water Fund	762,000.00	0.00
Sewer Fund	331,000.00	0.00
Sanitation Fund	230,000.00	0.00

<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Over (Under)</u>
\$ 1,191,835.00	\$ 1,071,914.40	\$ (119,920.60)
75,000.00	72,965.04	(2,034.96)
14,674.00	14,534.31	(139.69)
7,000.00	4,158.12	(2,841.88)
101,000.00	63,385.16	(37,614.84)
44,000.00	11,796.00	(32,204.00)
15,000.00	2,800.00	(12,200.00)
6,000.00	0.00	(6,000.00)
762,000.00	349,764.44	(412,235.56)
331,000.00	145,164.57	(185,835.43)
230,000.00	94,319.85	(135,680.15)

CITY OF KINSLEY, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		
		Actual	Budget	Variance Over (Under)
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 354,588.95	\$ 364,208.08	\$ 382,844.00	\$ (18,635.92)
Delinquent Tax	25,111.81	19,141.56	5,000.00	14,141.56
Motor Vehicle Tax	74,823.38	80,676.16	73,760.00	6,916.16
Recreational Vehicle Tax	1,715.28	1,463.66	1,818.00	(354.34)
16/20M Vehicle Tax	1,093.54	926.53	1,170.00	(243.47)
In Lieu of Taxes	1,898.88	1,841.66	2,000.00	(158.34)
Special Assessments	2,261.25	1,320.00	500.00	820.00
Sales Tax	228,806.60	243,833.25	175,000.00	68,833.25
Franchise Tax	129,073.99	125,029.10	125,000.00	29.10
Alcohol Liquor Tax	3,937.27	3,804.43	3,698.00	106.43
Licenses, Fines & Permits	12,797.73	13,224.50	8,000.00	5,224.50
Charges for Services	23,074.11	22,460.29	20,000.00	2,460.29
Building Rent	500.00	650.00	500.00	150.00
Tower Rent	11,089.83	26,097.14	0.00	26,097.14
Reimbursements	3,228.27	84,999.73	500.00	84,499.73
Airport Contracts	0.00	6,712.00	0.00	6,712.00
Fire Protection Contracts	0.00	15,958.97	0.00	15,958.97
Federal Aid	13,058.34	11,898.14	0.00	11,898.14
Interest on Idle Funds	2,681.25	1,483.47	1,000.00	483.47
Miscellaneous	418.71	1,309.35	500.00	809.35
Close Fund:				
From Recreation Commission	0.00	4,158.12	0.00	4,158.12
Total Cash Receipts	890,159.19	1,031,196.14	\$ 801,290.00	\$ 229,906.14
Expenditures				
General Government:				
Personal Services	214,671.76	229,096.77	245,500.00	(16,403.23)
Contractual Services	77,672.56	62,649.65	73,200.00	(10,550.35)
Commodities	7,952.96	4,475.47	15,000.00	(10,524.53)
Capital Outlay	0.00	527.82	6,000.00	(5,472.18)
Other	29,466.30	58,150.04	35,100.00	23,050.04
Police Patrol:				
Contractual Services	148,528.50	160,545.75	160,000.00	545.75
Commodities	0.00	0.00	20,000.00	(20,000.00)

CITY OF KINSLEY, KANSAS
GENERAL FUND (Cont'd.)
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Expenditures (Cont'd.)				
Fire Department:				
Personal Services	3,650.36	4,081.12	5,000.00	(918.88)
Contractual Services	29,114.15	33,485.19	40,000.00	(6,514.81)
Commodities	2,698.91	6,844.46	5,000.00	1,844.46
Capital Outlay	0.00	83,865.00	5,000.00	78,865.00
Other	3,846.98	5,588.23	3,000.00	2,588.23
Principal	5,942.94	5,972.69	6,162.00	(189.31)
Interest	219.10	189.35	0.00	189.35
Code Enforcement:				
Contractual Services	1,474.74	4,147.06	10,000.00	(5,852.94)
Commodities	200.80	300.33	1,000.00	(699.67)
Street Department:				
Personal Services	116,285.21	121,311.25	125,000.00	(3,688.75)
Contractual Services	85,335.46	39,434.76	60,000.00	(20,565.24)
Commodities	13,088.16	8,643.12	50,000.00	(41,356.88)
Capital Outlay	11,008.00	31,012.40	25,000.00	6,012.40
Airport:				
Contractual Services	4,077.76	3,803.98	8,000.00	(4,196.02)
Commodities	146.26	131.83	2,000.00	(1,868.17)
Capital Outlay	0.00	403.52	0.00	403.52
Service Center:				
Contractual Services	6,863.67	9,389.90	10,000.00	(610.10)
Commodities	12,374.71	17,251.07	14,000.00	3,251.07
Capital Outlay	3,697.50	0.00	8,000.00	(8,000.00)
Parks Department:				
Personal Services	6,844.60	19,129.56	9,500.00	9,629.56
Contractual Services	10,511.42	11,007.14	14,000.00	(2,992.86)
Commodities	12,863.75	18,858.67	12,000.00	6,858.67
Capital Outlay	4,697.49	106,612.76	24,500.00	82,112.76
Appropriations	4,697.25	4,692.42	8,000.00	(3,307.58)
Capital Outlay	0.00	0.00	191,873.00	(191,873.00)
Operating Transfer:				
To Capital Improvements	0.00	20,313.09	0.00	20,313.09
Total Expenditures	<u>817,931.30</u>	<u>1,071,914.40</u>	<u>\$ 1,191,835.00</u>	<u>\$ (119,920.60)</u>
Receipts Over (Under) Expenditures	72,227.89	(40,718.26)		
Unencumbered Cash, Beginning	<u>680,363.30</u>	<u>752,591.19</u>		
Unencumbered Cash, Ending	<u>\$ 752,591.19</u>	<u>\$ 711,872.93</u>		

CITY OF KINSLEY, KANSAS
LIBRARY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		
		Actual	Budget	Variance Over (Under)
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 55,194.23	\$ 56,812.11	\$ 59,718.00	\$ (2,905.89)
Delinquent Tax	3,589.66	2,757.52	500.00	2,257.52
Motor Vehicle Tax	10,776.36	12,157.50	11,481.00	676.50
Recreational Vehicle Tax	246.98	220.72	283.00	(62.28)
16/20M Vehicle Tax	155.28	129.34	182.00	(52.66)
In Lieu of Taxes	295.57	287.28	96.00	191.28
Total Cash Receipts	<u>70,258.08</u>	<u>72,364.47</u>	<u>\$ 72,260.00</u>	<u>\$ 104.47</u>
Expenditures				
Appropriation	<u>70,432.01</u>	<u>72,965.04</u>	<u>75,000.00</u>	<u>(2,034.96)</u>
Total Expenditures	<u>70,432.01</u>	<u>72,965.04</u>	<u>\$ 75,000.00</u>	<u>\$ (2,034.96)</u>
Receipts Over (Under) Expenditures	(173.93)	(600.57)		
Unencumbered Cash, Beginning	<u>4,633.23</u>	<u>4,459.30</u>		
Unencumbered Cash, Ending	<u>\$ 4,459.30</u>	<u>\$ 3,858.73</u>		

CITY OF KINSLEY, KANSAS
LIBRARY EMPLOYEE BENEFITS FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		
		Actual	Budget	Variance Over (Under)
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 11,039.96	\$ 11,363.56	\$ 11,944.00	\$ (580.44)
Delinquent Tax	717.85	551.51	160.00	391.51
Motor Vehicle Tax	2,155.05	2,431.73	2,296.00	135.73
Recreational Vehicle Tax	49.40	44.15	57.00	(12.85)
16/20M Vehicle Tax	31.06	25.87	36.00	(10.13)
In Lieu of Taxes	59.12	57.46	28.00	29.46
Total Cash Receipts	<u>14,052.44</u>	<u>14,474.28</u>	<u>\$ 14,521.00</u>	<u>\$ (46.72)</u>
Expenditures				
Appropriation	<u>13,477.33</u>	<u>14,534.31</u>	<u>14,674.00</u>	<u>(139.69)</u>
Total Expenditures	<u>13,477.33</u>	<u>14,534.31</u>	<u>\$ 14,674.00</u>	<u>\$ (139.69)</u>
Receipts Over (Under) Expenditures	575.11	(60.03)		
Unencumbered Cash, Beginning	<u>296.37</u>	<u>871.48</u>		
Unencumbered Cash, Ending	<u>\$ 871.48</u>	<u>\$ 811.45</u>		

CITY OF KINSLEY, KANSAS
 RECREATION FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		
		Actual	Budget	Variance Over (Under)
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 11,127.96	\$ 0.00	\$ 0.00	\$ 0.00
Delinquent Tax	717.90	0.00	392.00	(392.00)
Motor Vehicle Tax	2,155.05	0.00	2,296.00	(2,296.00)
Recreational Vehicle Tax	49.40	0.00	57.00	(57.00)
16/20M Vehicle Tax	31.05	0.00	36.00	(36.00)
In Lieu of Taxes	59.12	0.00	0.00	0.00
Total Cash Receipts	<u>14,140.48</u>	<u>0.00</u>	<u>\$ 2,781.00</u>	<u>\$ (2,781.00)</u>
Expenditures				
Appropriation	13,975.91	0.00	0.00	0.00
Close Fund:				
To General	<u>0.00</u>	<u>4,158.12</u>	<u>7,000.00</u>	<u>(2,841.88)</u>
Total Expenditures	<u>13,975.91</u>	<u>4,158.12</u>	<u>\$ 7,000.00</u>	<u>\$ (2,841.88)</u>
Receipts Over (Under) Expenditures	164.57	(4,158.12)		
Unencumbered Cash, Beginning	<u>3,993.55</u>	<u>4,158.12</u>		
Unencumbered Cash, Ending	<u>\$ 4,158.12</u>	<u>\$ 0.00</u>		

CITY OF KINSLEY, KANSAS
SPECIAL HIGHWAY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		
		Actual	Budget	Variance Over (Under)
Cash Receipts				
State of Kansas	\$ 37,826.65	\$ 37,641.17	\$ 39,510.00	\$ (1,868.83)
Total Cash Receipts	<u>37,826.65</u>	<u>37,641.17</u>	<u>\$ 39,510.00</u>	<u>\$ (1,868.83)</u>
Expenditures				
Personal Services	0.00	0.00	1,000.00	(1,000.00)
Contractual Services	393.38	405.18	1,000.00	(594.82)
Commodities	36,918.28	62,979.98	42,000.00	20,979.98
Capital Outlay	<u>0.00</u>	<u>0.00</u>	<u>57,000.00</u>	<u>(57,000.00)</u>
Total Expenditures	<u>37,311.66</u>	<u>63,385.16</u>	<u>\$ 101,000.00</u>	<u>\$ (37,614.84)</u>
Receipts Over (Under) Expenditures	514.99	(25,743.99)		
Unencumbered Cash, Beginning	<u>68,629.58</u>	<u>69,144.57</u>		
Unencumbered Cash, Ending	<u>\$ 69,144.57</u>	<u>\$ 43,400.58</u>		

CITY OF KINSLEY, KANSAS
SPECIAL PARKS & RECREATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		
		Actual	Budget	Variance Over (Under)
Cash Receipts				
Alcohol Liquor Tax	\$ 3,937.30	\$ 3,804.43	\$ 3,698.00	\$ 106.43
Water Surcharge	9,704.67	9,596.76	9,700.00	(103.24)
Total Cash Receipts	<u>13,641.97</u>	<u>13,401.19</u>	<u>\$ 13,398.00</u>	<u>\$ 3.19</u>
Expenditures				
Personal Services	0.00	0.00	1,000.00	(1,000.00)
Contractual Services	0.00	0.00	5,000.00	(5,000.00)
Commodities	3,600.00	11,796.00	20,000.00	(8,204.00)
Capital Outlay	0.00	0.00	11,000.00	(11,000.00)
Appropriation	<u>0.00</u>	<u>0.00</u>	<u>7,000.00</u>	<u>(7,000.00)</u>
Total Expenditures	<u>3,600.00</u>	<u>11,796.00</u>	<u>\$ 44,000.00</u>	<u>\$ (32,204.00)</u>
Receipts Over (Under) Expenditures	10,041.97	1,605.19		
Unencumbered Cash, Beginning	<u>35,562.04</u>	<u>45,604.01</u>		
Unencumbered Cash, Ending	<u>\$ 45,604.01</u>	<u>\$ 47,209.20</u>		

CITY OF KINSLEY, KANSAS
 DIVERSION FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		
		Actual	Budget	Variance Over (Under)
Cash Receipts				
Diversion Fees	\$ 1,420.14	\$ 1,893.50	\$ 7,000.00	\$ (5,106.50)
Interest on Idle Funds	20.64	9.99	30.00	(20.01)
Total Cash Receipts	<u>1,440.78</u>	<u>1,903.49</u>	<u>\$ 7,030.00</u>	<u>\$ (5,126.51)</u>
Expenditures				
Contractual Services	0.00	0.00	5,000.00	(5,000.00)
Commodities	0.00	0.00	1,000.00	(1,000.00)
Capital Outlay	0.00	0.00	8,500.00	(8,500.00)
Other	500.00	2,800.00	500.00	2,300.00
Total Expenditures	<u>500.00</u>	<u>2,800.00</u>	<u>\$ 15,000.00</u>	<u>\$ (12,200.00)</u>
Receipts Over (Under) Expenditures	940.78	(896.51)		
Unencumbered Cash, Beginning	<u>7,576.80</u>	<u>8,517.58</u>		
Unencumbered Cash, Ending	<u>\$ 8,517.58</u>	<u>\$ 7,621.07</u>		

CITY OF KINSLEY, KANSAS
POLICE DRUG FORFEITURE FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		
		Actual	Budget	Variance Over (Under)
Cash Receipts				
Drug Forfeiture Fees	\$ 237.04	\$ 0.00	\$ 5,000.00	\$ (5,000.00)
Total Cash Receipts	<u>237.04</u>	<u>0.00</u>	<u>\$ 5,000.00</u>	<u>\$ (5,000.00)</u>
Expenditures				
Commodities	144.46	0.00	0.00	0.00
Capital Outlay	<u>0.00</u>	<u>0.00</u>	<u>6,000.00</u>	<u>(6,000.00)</u>
Total Expenditures	<u>144.46</u>	<u>0.00</u>	<u>\$ 6,000.00</u>	<u>\$ (6,000.00)</u>
Receipts Over (Under) Expenditures	92.58	0.00		
Unencumbered Cash, Beginning	<u>1,905.28</u>	<u>1,997.86</u>		
Unencumbered Cash, Ending	<u>\$ 1,997.86</u>	<u>\$ 1,997.86</u>		

CITY OF KINSLEY, KANSAS
 CAPITAL IMPROVEMENTS FUND
 Schedule of Receipts and Expenditures - Actual
 Regulatory Basis
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
State Aid	\$ 6,300.00	\$ 260,335.62
Reimbursements	0.00	14,813.09
Operating Transfer:		
From General	0.00	20,313.09
Total Cash Receipts	6,300.00	295,461.80
Expenditures		
Capital Outlay	301,761.80	0.00
Total Expenditures	301,761.80	0.00
Receipts Over (Under) Expenditures	(295,461.80)	295,461.80
Unencumbered Cash, Beginning	0.00	(295,461.80)
Unencumbered Cash, Ending	\$ (295,461.80)	0.00

CITY OF KINSLEY, KANSAS
WATER LINE REPLACEMENT PROJECT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Loan Proceeds	\$ 0.00	\$ 11,085.00
Reimbursements	<u>0.00</u>	<u>1,000.00</u>
Total Cash Receipts	<u>0.00</u>	<u>12,085.00</u>
Expenditures		
Project Expenses	<u>0.00</u>	<u>42,178.05</u>
Total Expenditures	<u>0.00</u>	<u>42,178.05</u>
Receipts Over (Under) Expenditures	0.00	(30,093.05)
Unencumbered Cash, Beginning	<u>0.00</u>	<u>0.00</u>
Unencumbered Cash, Ending	<u>\$ 0.00</u>	<u>(30,093.05)</u>

CITY OF KINSLEY, KANSAS
WATER FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		
		Actual	Budget	Variance Over (Under)
Cash Receipts				
Water Charges	\$ 283,344.15	\$ 309,349.46	\$ 267,000.00	\$ 42,349.46
Water Connection Fees	3,754.67	4,260.00	4,000.00	260.00
Miscellaneous	1,660.69	1,716.36	70.00	1,646.36
Total Cash Receipts	<u>288,759.51</u>	<u>315,325.82</u>	<u>\$ 271,070.00</u>	<u>\$ 44,255.82</u>
Expenditures				
Production & Distribution:				
Personal Services	86,679.88	90,096.03	91,000.00	(903.97)
Contractual Services	24,463.82	52,679.28	50,000.00	2,679.28
Commodities	19,881.68	16,821.69	40,000.00	(23,178.31)
Capital Outlay	0.00	155,807.40	50,000.00	105,807.40
Other	2,455.01	2,454.17	3,000.00	(545.83)
General & Administration:				
Personal Services	10,388.36	27,749.53	3,000.00	24,749.53
Contractual Services	4,126.62	4,156.34	20,000.00	(15,843.66)
Commodities	0.00	0.00	20,000.00	(20,000.00)
Capital Outlay	0.00	0.00	485,000.00	(485,000.00)
Total Expenditures	<u>147,995.37</u>	<u>349,764.44</u>	<u>\$ 762,000.00</u>	<u>\$ (412,235.56)</u>
Receipts Over (Under) Expenditures	140,764.14	(34,438.62)		
Unencumbered Cash, Beginning	<u>378,680.42</u>	<u>519,444.56</u>		
Unencumbered Cash, Ending	<u>\$ 519,444.56</u>	<u>\$ 485,005.94</u>		

CITY OF KINSLEY, KANSAS
SEWER FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Sewer Charges	\$ 184,965.67	\$ 180,827.90	\$ 187,000.00	\$ (6,172.10)
Total Cash Receipts	<u>184,965.67</u>	<u>180,827.90</u>	<u>\$ 187,000.00</u>	<u>\$ (6,172.10)</u>
Expenditures				
Collection & Treatment:				
Personal Services	60,621.85	46,171.93	65,000.00	(18,828.07)
Contractual Services	14,911.70	13,887.77	20,000.00	(6,112.23)
Commodities	3,975.76	3,422.97	10,000.00	(6,577.03)
Capital Outlay	0.00	15,506.20	20,000.00	(4,493.80)
General & Administration:				
Personal Services	42,298.61	26,328.23	53,000.00	(26,671.77)
Contractual Services	2,011.12	930.50	10,000.00	(9,069.50)
Commodities	0.00	0.00	5,000.00	(5,000.00)
Capital Outlay	0.00	0.00	109,042.00	(109,042.00)
Other	137.11	9.15	50.00	(40.85)
KWPCRF Loan Principal	25,816.57	26,628.33	26,628.00	0.33
KWPCRF Loan Interest & Fees	<u>13,091.25</u>	<u>12,279.49</u>	<u>12,280.00</u>	<u>(0.51)</u>
Total Expenditures	<u>162,863.97</u>	<u>145,164.57</u>	<u>\$ 331,000.00</u>	<u>\$ (185,835.43)</u>
Receipts Over (Under) Expenditures	22,101.70	35,663.33		
Unencumbered Cash, Beginning	<u>144,021.31</u>	<u>166,123.01</u>		
Unencumbered Cash, Ending	<u>\$ 166,123.01</u>	<u>\$ 201,786.34</u>		

CITY OF KINSLEY, KANSAS
 SANITATION FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

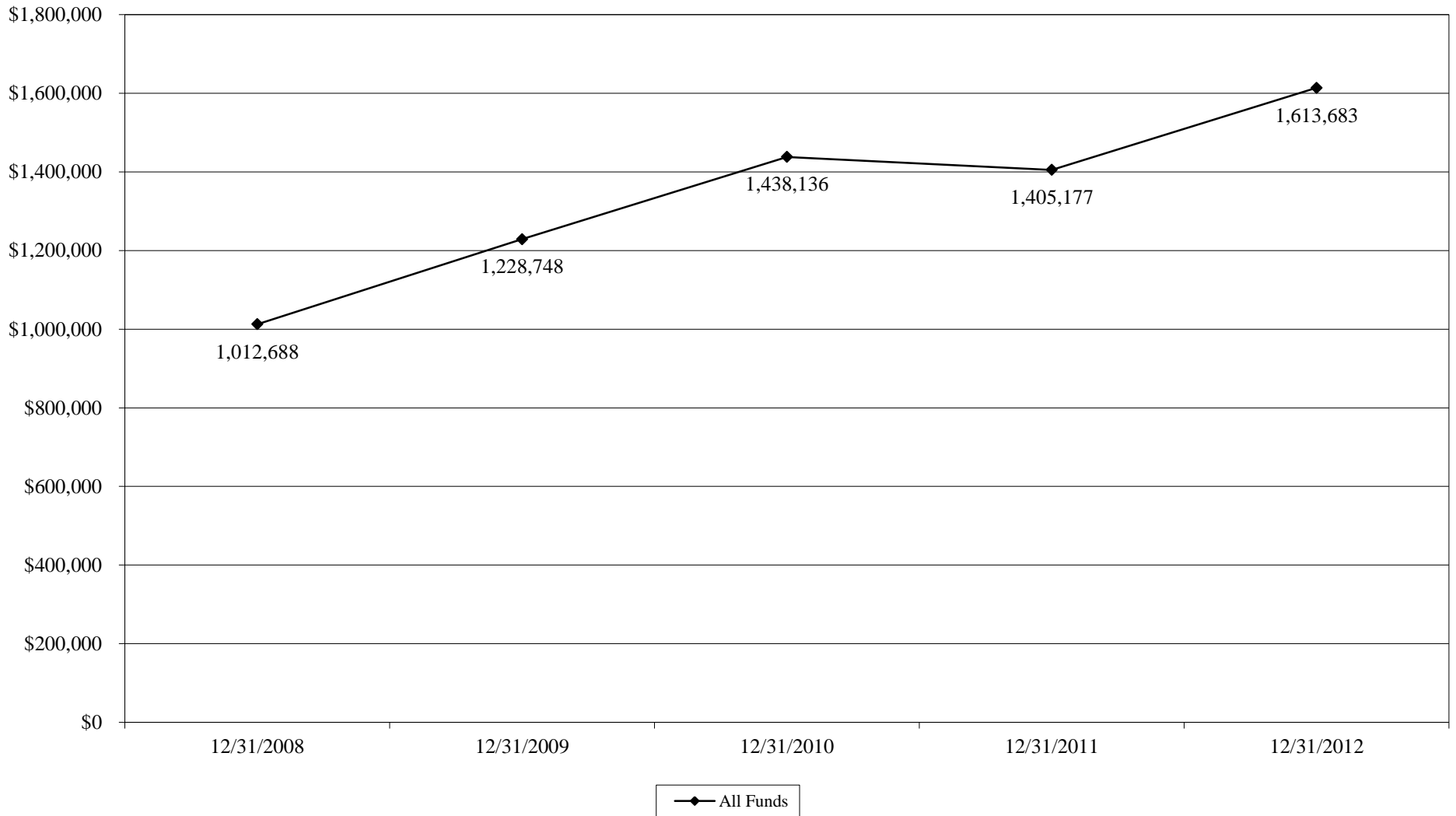
	Prior Year Actual	Current Year		
		Actual	Budget	Variance Over (Under)
Cash Receipts				
Sanitation Charges	\$ 108,647.16	\$ 106,804.21	\$ 110,000.00	\$ (3,195.79)
Other	<u>1,240.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Cash Receipts	<u>109,887.16</u>	<u>106,804.21</u>	<u>\$ 110,000.00</u>	<u>\$ (3,195.79)</u>
Expenditures				
Collection & Disposal:				
Personal Services	72,855.86	76,196.74	66,000.00	10,196.74
Contractual Services	6,478.17	3,263.87	15,000.00	(11,736.13)
Commodities	10,018.68	9,763.88	10,000.00	(236.12)
Capital Outlay	0.00	0.00	20,000.00	(20,000.00)
General & Administration:				
Personal Services	4,479.56	4,418.96	5,500.00	(1,081.04)
Contractual Services	801.73	676.40	5,000.00	(4,323.60)
Commodities	0.00	0.00	2,000.00	(2,000.00)
Capital Outlay	<u>0.00</u>	<u>0.00</u>	<u>106,500.00</u>	<u>(106,500.00)</u>
Total Expenditures	<u>94,634.00</u>	<u>94,319.85</u>	<u>\$ 230,000.00</u>	<u>\$ (135,680.15)</u>
Receipts Over (Under) Expenditures	15,253.16	12,484.36		
Unencumbered Cash, Beginning	<u>110,851.75</u>	<u>126,104.91</u>		
Unencumbered Cash, Ending	<u>\$ 126,104.91</u>	<u>\$ 138,589.27</u>		

CITY OF KINSLEY, KANSAS
SANITATION RESERVE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

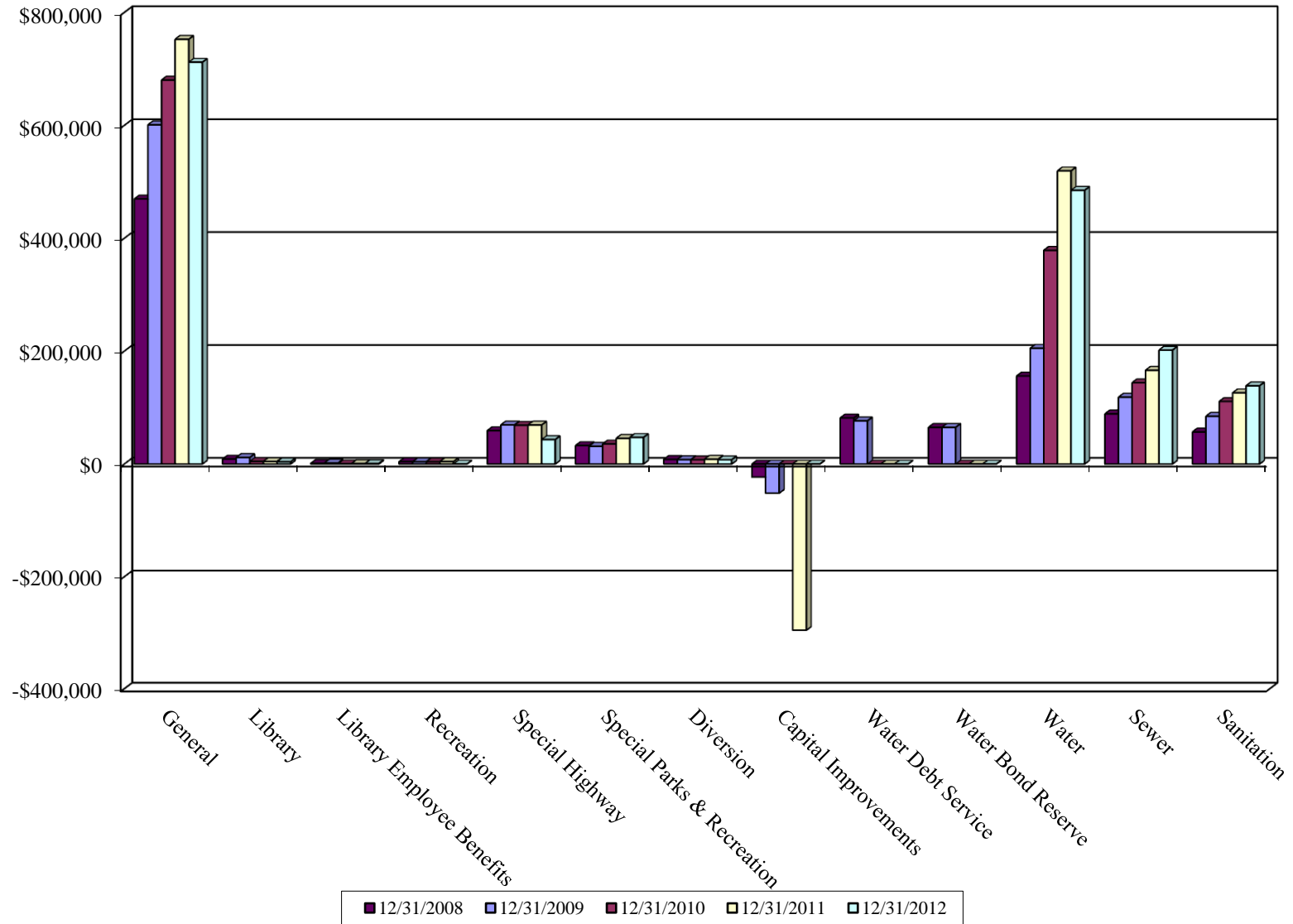
	Prior Year Actual	Current Year Actual
Cash Receipts		
None	\$ 0.00	\$ 0.00
Total Cash Receipts	0.00	0.00
Expenditures		
None	0.00	0.00
Total Expenditures	0.00	0.00
Receipts Over (Under) Expenditures	0.00	0.00
Unencumbered Cash, Beginning	1,622.29	1,622.29
Unencumbered Cash, Ending	\$ 1,622.29	\$ 1,622.29

ADDITIONAL INFORMATION

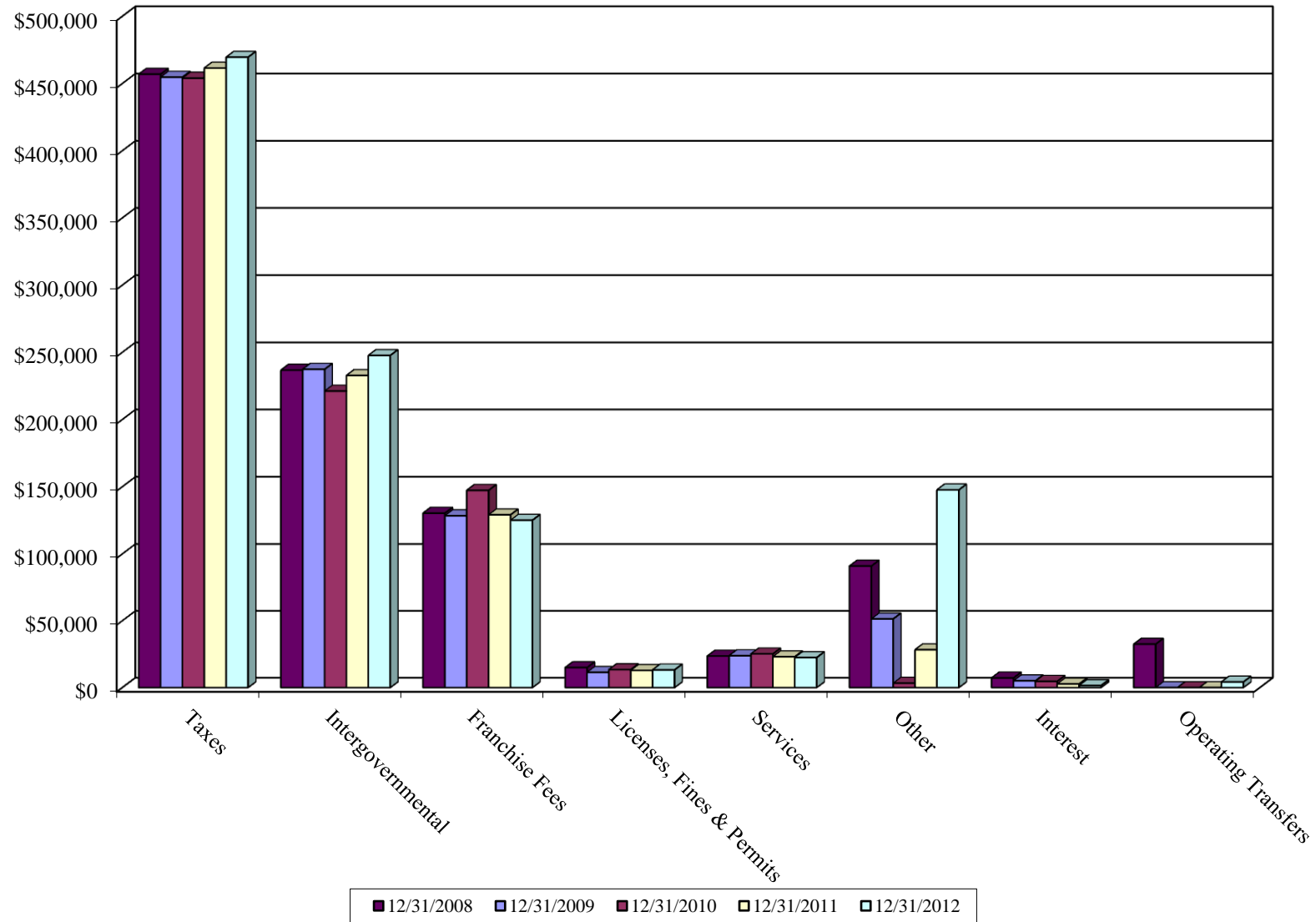
City of Kinsley, Kansas Unencumbered Cash Balance - All Funds



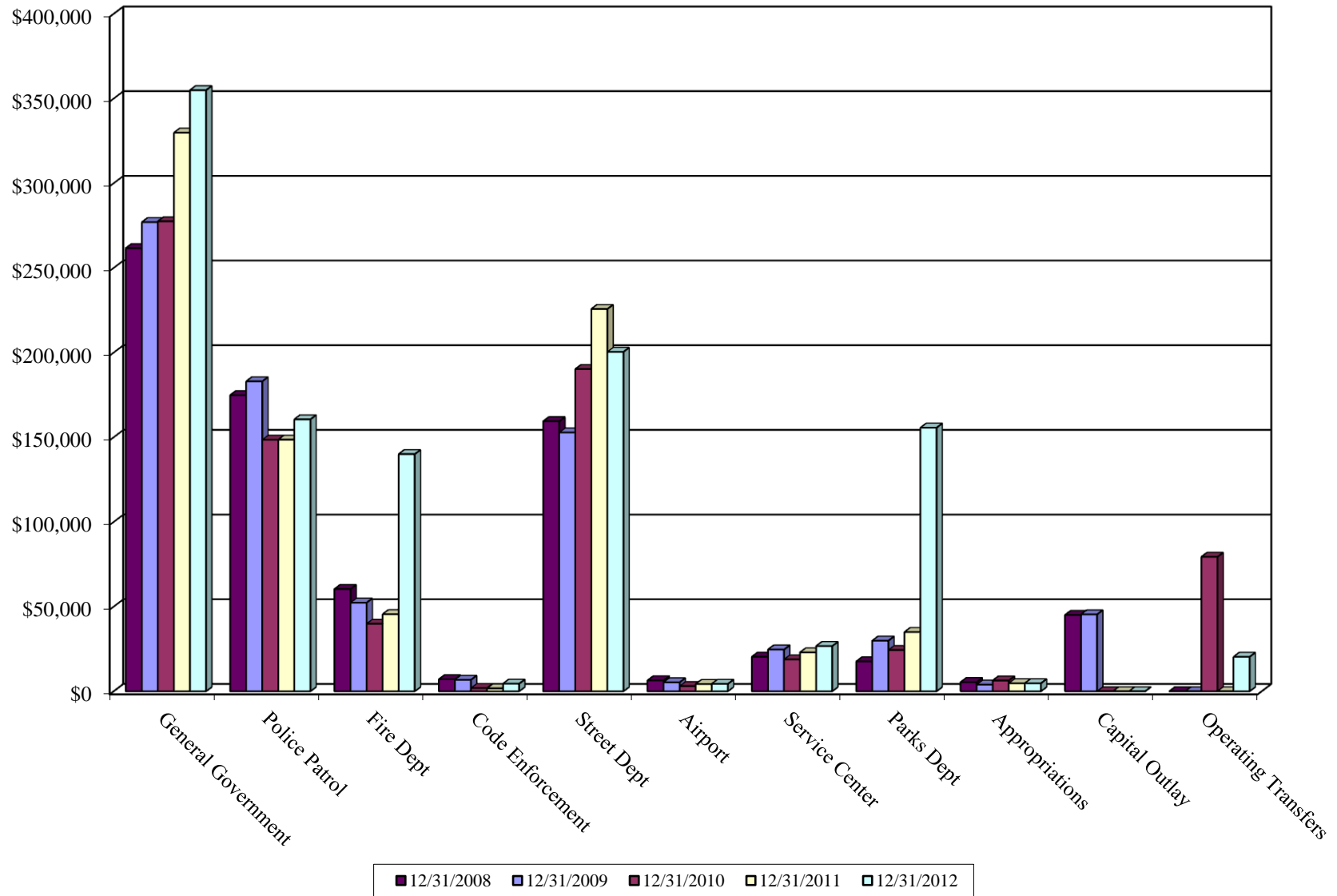
City of Kinsley, Kansas Unencumbered Cash Balances - Selected Funds



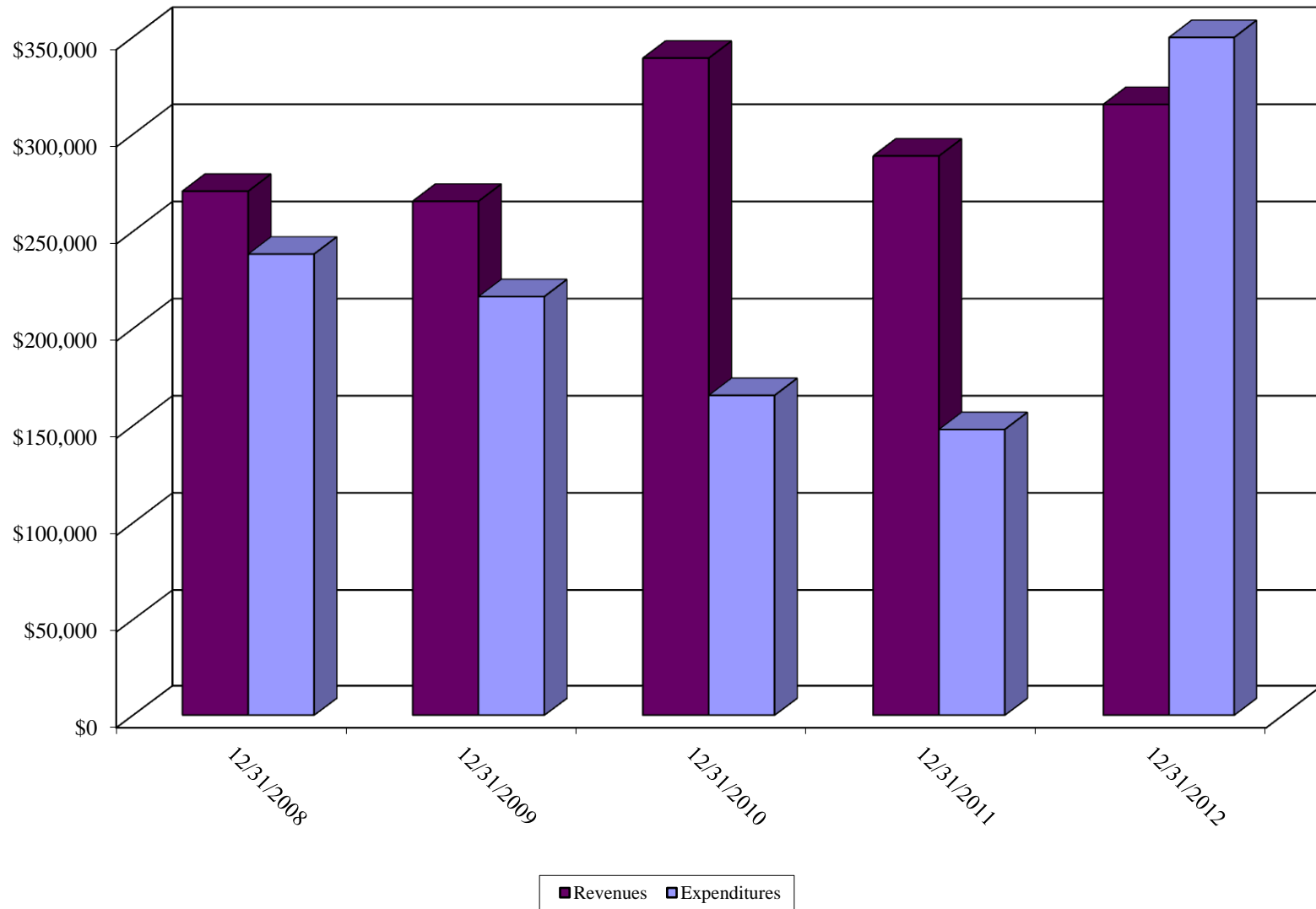
City of Kinsley, Kansas General Fund Revenues



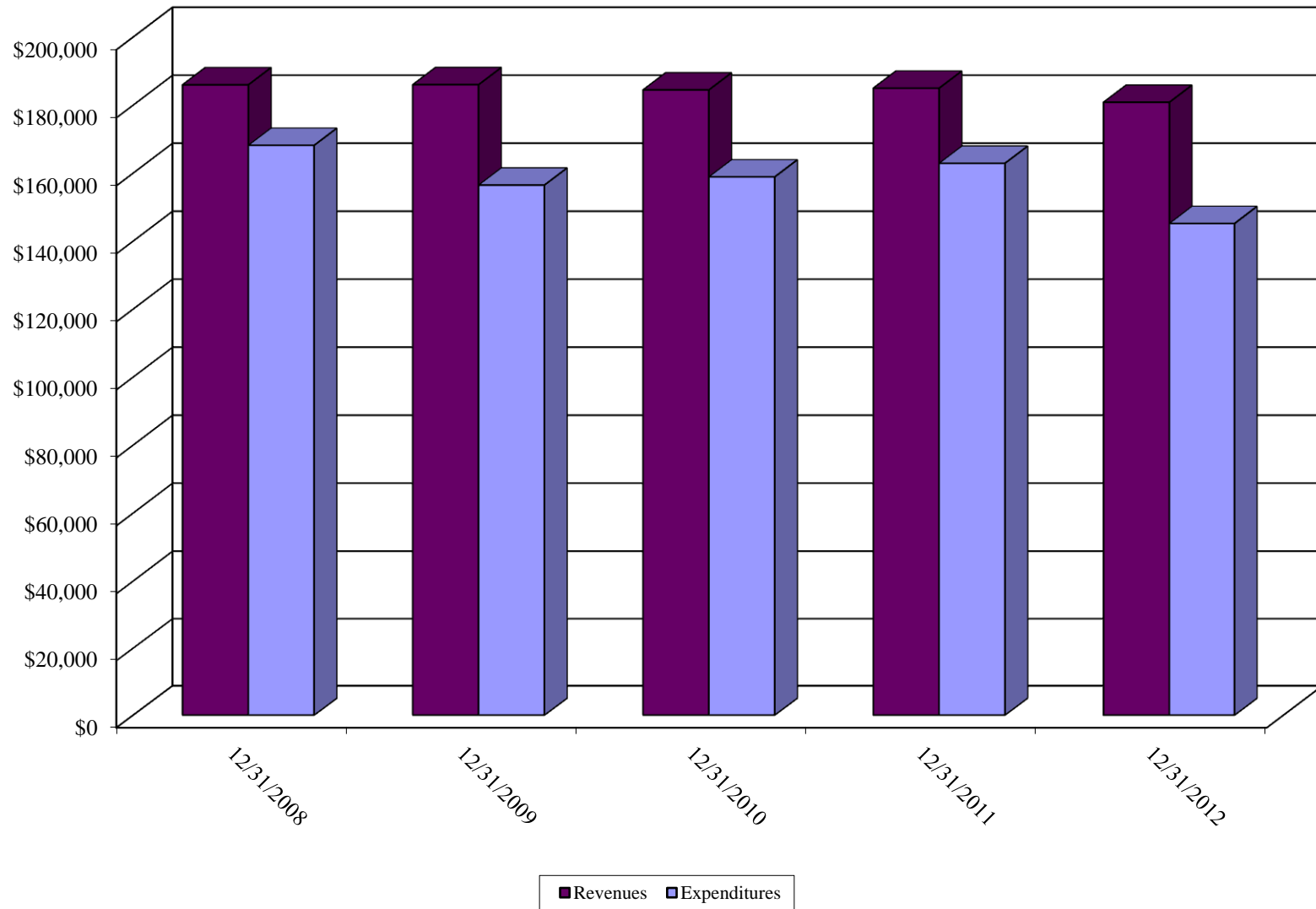
City of Kinsley, Kansas General Fund Expenditures



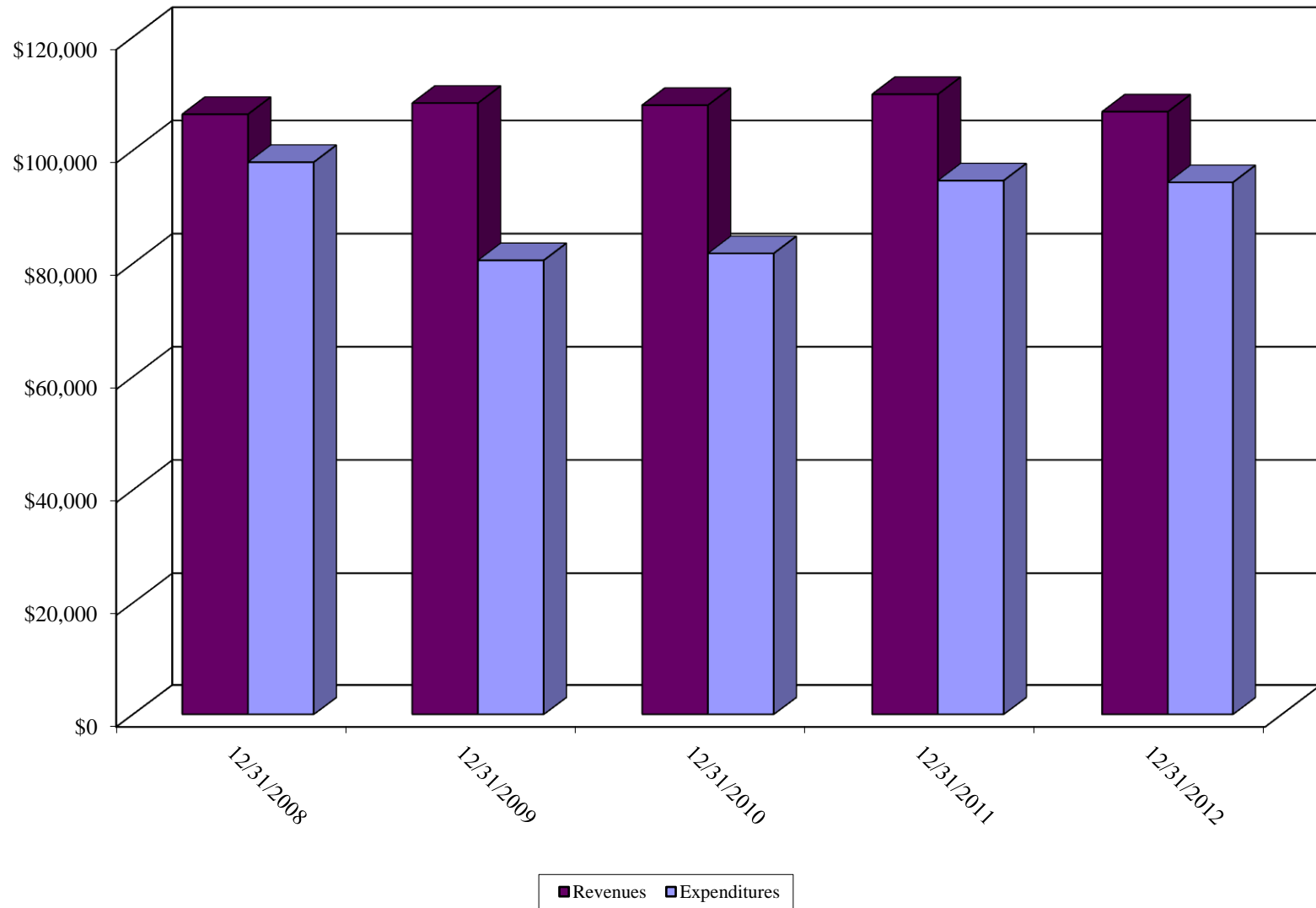
**City of Kinsley, Kansas
Water Fund
Revenues vs. Expenditures**



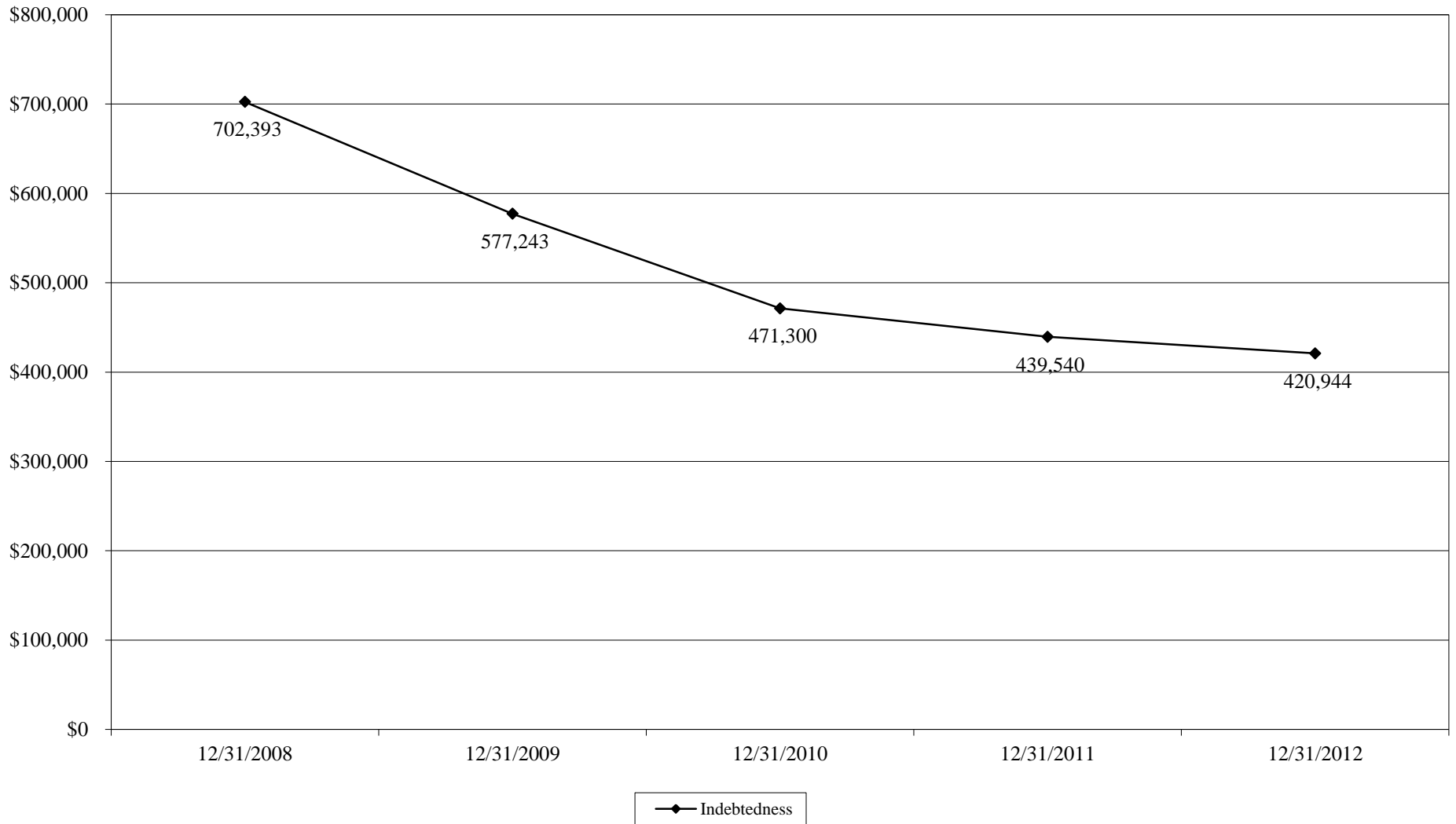
**City of Kinsley, Kansas
Sewer Fund
Revenues vs. Expenditures**



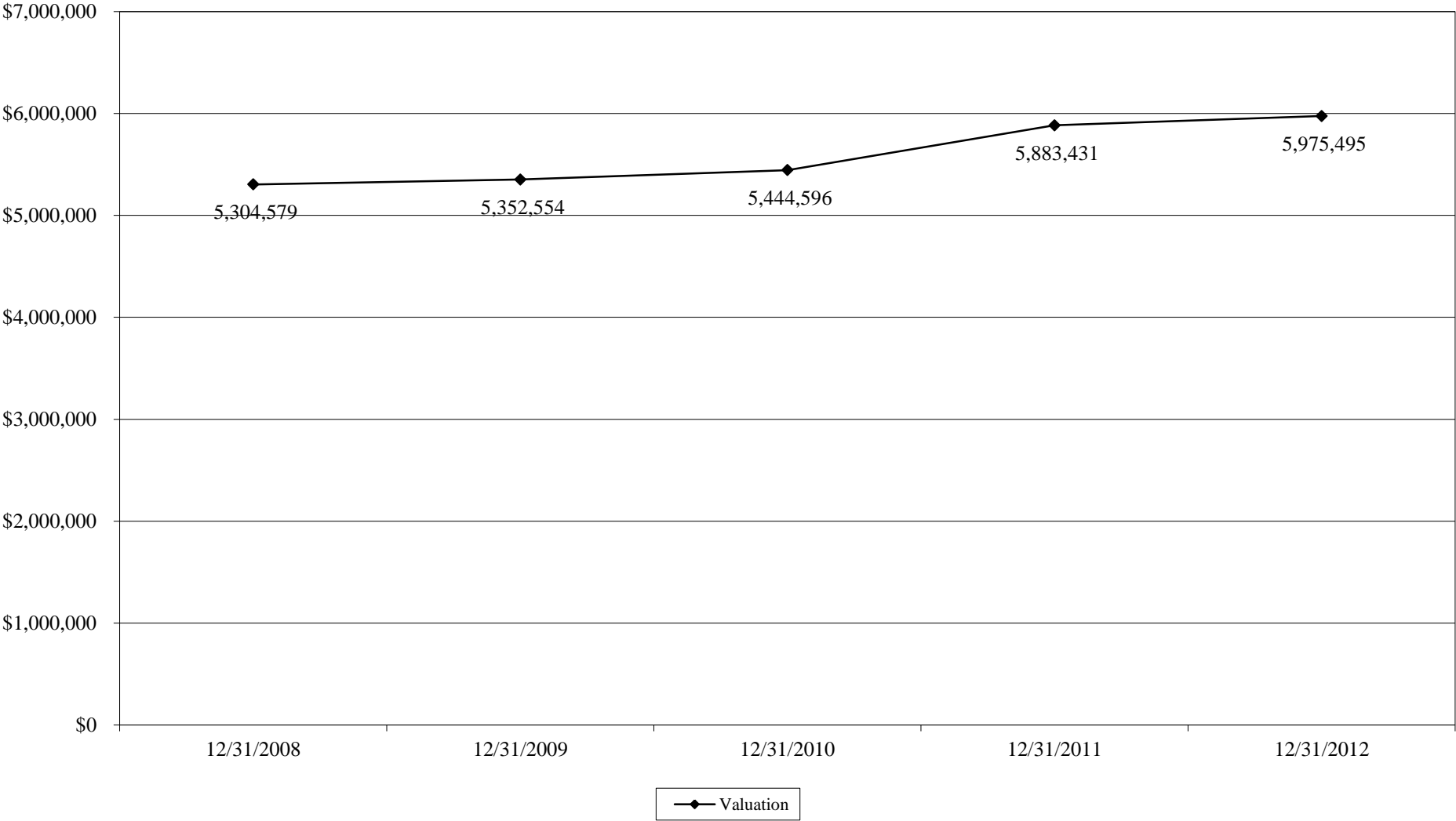
**City of Kinsley, Kansas
Sanitation Fund
Revenues vs. Expenditures**



City of Kinsley, Kansas Contractual Indebtedness



City of Kinsley, Kansas Valuation



City of Kinsley, Kansas Mill Rate

